



## OFFICE OF THE COMMISSIONER OF THE REVENUE

City of Hampton, Virginia

### LOCAL BUSINESS TAX APPEALS

### BUSINESS LICENSE, BUSINESS PERSONAL PROPERTY, MACHINERY & TOOLS

The Virginia General Assembly has instituted provisions that provide taxpayers with an option for problem resolution, without incurring the costly time and expense that can be associated with legal proceedings. In order to be entitled to the provisions, however, an administrative appeal must first be submitted in accordance with the administrative appeals process outlined below. Please note that at all times provided by law, you retain the right to seek correction as per the Circuit Court process outlined below.

#### **ADMINISTRATIVE APPEALS** (Code of Virginia §58.1-3983.1 and §58.1-3703.1(A)(5))

**Step One:** Determine if the administrative process is applicable to your case. In order to be applicable to the business license tax, an "appealable event" must have occurred. In order to be applicable to the business personal property tax or the machinery & tools tax, an "assessment" must have been made. Each are briefly defined as follows:

"Appealable Event": An increase in the assessment of a local license tax; includes the denial of a refund or the assessment of additional or omitted taxes arising out of the examination of records, financial statements, books of account or other information and/or a determination of the proper rate or classification applicable to the business.

"Assessment" A determination of the proper rate of tax, the measure to which the rate is applied and the amount of tax, including additional or omitted tax, that is due. It includes any assessment made by the assessing official or a self-assessment made by a taxpayer.

**Step Two:** Submit in good faith appeal, a written application for review, as follows:

To: The Honorable Ross A. Mugler

At: P O Box 636 □ Hampton VA 23669 or via fax to (757) 727-6330

When: By the later of one year from the last day of the tax year for which the assessment was made or one year from the date of the "assessment" or "appealable event."

Including: Clear identification of the taxpayer, the taxpayer's federal identification number and local account number(s), each tax period and each tax amount for which correction is sought, the remedy sought, the alleged error in the assessment and all grounds and relevant facts on which you base your position, including but not limited to legal authorities.

(Note: Prior to filing a complete application for review, you may submit a written "Notice of Intent to Appeal" to the Commissioner of the Revenue. Filing of this notice will stop collection activity. From that point, no further penalty shall be assessed, however interest shall continue to accrue in accordance with the provisions of Code of Virginia §58.1-3703.1(A)(2). Regardless of the timing of this notice, the complete appeal must be submitted within the prescribed time period stated above.)

**Step Three:** Upon receipt, the Commissioner will conduct a full review of the facts and assertions. He may hold a conference if requested, require submission of additional information and documents, conduct an audit (or further audit), as well as gather any other evidence deemed necessary for a proper and equitable determination of the application.

#### **CIRCUIT COURT – Application to Court to Correct Erroneous Assessments** (Code of Virginia §58.1-3984)

- Must be filed with the Clerk of the Circuit Court within 3 years from the last day of the tax year for which such assessment is made, within 1 year from the date of assessment or within 1 year of Tax Commissioner's final determination, whichever is later.